

MORETELE LOCAL MUNICIPALITY



REVISED CREDIT CONTROL & DEBT COLLECTION POLICY FINANCIAL YEAR 2026-2027

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Notwithstanding the review date as shown, this policy shall remain effective until approved otherwise by Council and may be reviewed on an earlier date as deemed necessary.

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PRE-AMBLE

The Municipal Finance Management Act (MFMA), Act 56 of 2003, aims to modernise budget and financial management practices in municipalities in order to maximise the capacity of a municipality to deliver services to all residents, customers and users. It also gives effect to the principle of transparency as required by sections 215 and 216 of the Constitution. The Council of the municipality, in adopting this policy on credit control and debt Collection, recognizes its constitutional obligations as set out in Chapter 7 of the Constitution and Chapter 9 of the Municipal Systems Act, Act No. 32 of 2000, to Develop the local economy and to provide acceptable services to its residents. It Simultaneously acknowledges that it cannot fulfil these constitutional obligations Unless it exacts payment for the services which it provides and for the taxes which it legitimately levies in full from those residents who can afford to pay, and in accordance with its indigence relief measures for those who have registered as indigents in terms of the Council's approved indigence management policy

- a) This is a mandatory policy in terms of Section 96 of the Municipal Systems Act and it is also a budget-related policy in terms of the definition of such policies in Section 1 of the MFMA. This policy must therefore be reviewed, and revised if necessary, as part of each annual budget process.
- b) The accounting officer (municipal manager) is charged with the responsibility for managing the revenues of the municipality (Section 64 of the MFMA), and the municipal manager is therefore responsible for the implementation and administration of this policy. Section 100 of the Municipal Systems Act in fact specifically assigns the legal responsibility for implementing this policy to the municipal manager (see Part 17 of the policy).
- c) In terms of Section 98 of the Municipal Systems Act the council must adopt by-laws to give effect to this policy.

DEFINITIONS

All material technical terms are defined in each appropriate section of this policy.

Local Government: Municipal Systems Act, 32 of 2000 or the Local Government: Municipal Finance Management Act, 56 of 2003 shall bear the same meaning in this policy unless the context indicates otherwise and a word in one gender shall be read as referring also, to the other gender.

“account” means a notification by means of a statement of account to a person liable for payment of any amount for which he or she is liable to pay the municipality in respect of municipal services provided or property rates.

“arrangement” means a written agreement entered into between the council and a debtor where specific repayment parameters are agreed to.

“approved” means approved by the municipality in writing and signed by an authorized official.

“arrears” means any amount due, owing and payable in respect of municipal services not paid by due date.

“authorized official or agent” means any official or agent of the municipality who has been authorized by the municipal council to administer, implement or enforce the provisions of these by-laws or to grant any approval in terms of these by-laws.

“billing date” means the date upon which the monthly statement is generated and debited to the customers’ account.

“business premises” means premises utilized for purposes other than residential and excludes the following: (a) hospitals, clinics and institutions for mentally ill persons which are not operated for gain; (b) museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and are open to the public, whether admission fees are charged or not; (c) sports ground used for the purpose of amateur sports and any social activities which are connected with such sports; (d) any property registered in the name of an institution or organization which, in the opinion of the council,

performs charitable work;(e) any property utilized for bona fide church or religious purposes.

“Chief financial officer” means the official accountable and responsible to the municipal manager for the implementation, enforcement and administration of the customer care management and debt collection policies in this policy.

“Credit control” means all the functions relating to the collection of monies owed by ratepayers and user is of municipal services.

“council” means the municipal council of Moretele Local Municipality or any duly authorized committee, political office bearer or official of the said council.

“customer” means any person liable to the municipality for property tax or any other charges.

“defaulter” means any customer in arrears.

“Domestic consumer” means a customer who uses municipal services primarily for domestic purposes.

“Due date” means the date on which an amount payable in respect of an account becomes due, owing and payable by the customer, which date shall not be less than fourteen (14) calendar days from the date of the account.

“estimated consumption” means the consumption that a customer, whose consumption cannot be read or accurately measured during a specific period is deemed to have consumed during a specific period, based on an estimate by the municipality on rational grounds such as the average consumption of municipal services by a customer during a three (3) or twelve (12) month period during a prior or later period or the same period the previous year if info available.

“household” means a family unit that is determined by the municipality to be a household.

“Immovable property” includes: (a) an undivided share in immovable property; and (b) any right in immovable property.

“Indigent debtor” means: (a) the head of an indigent household:(i) who applied for and has been declared indigent in terms of the by-law for the provision of services from the municipality; and (ii) who makes application for indigent support in terms of these by-laws on behalf of all members or his or her household. (b) orphaned minor children duly represented by their legal and/ or de facto guardians.

“Indigent support programme” means a structured programme for the provision of indigent support subsidies to qualifying indigent debtors in terms of the council’s indigent support policy.

“Indigent support policy” means the indigent support policy adopted by the council of the municipality.

“interest” means a charge levied on all arrear monies and calculated at a rate determined by council

“month” means a calendar month.

“meter” means any water meter, electricity meter or device that enables the quantity of services provided to be measured and includes a prepayment meter.

“Municipal pay point” means any municipal office in the area of jurisdiction of the municipality.

“Municipal services” means services provided either by the municipality, or by an external agent on behalf of the municipality in terms of a service delivery agreement and shall include charges in respect of water and electricity consumption.

“municipality” means the Moretele Local Municipality.

“Municipal manager” means the municipal manager of the Moretele Local Municipality or his or her nominee acting in terms of power delegated to him or her by the said municipal manager with the concurrence of the council.

“occupier” means the person who controls and resides on or controls and otherwise uses immovable property; provided that - (a) the husband or wife of the own (a) the husband or wife of the owner of immovable property which is at any time used by such owner and husband or wife as a dwelling, shall be deemed to be the occupier thereof; and MLM Final Budget 2026/2027 – May 2026 (b) where a husband and wife both reside on immovable property and one of them is an occupier thereof; the other shall also be deemed to be an occupier thereof.

“owner” means: (a) the person in whose name the ownership of the premises is registered or his agent; (b) the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative; (c) where the municipality is unable to determine the identity of the owner, a person who has a legal right in, or the benefit of (d) where a lease has been entered into for a period of thirty (30) years or longer, or for the natural life of the lessee or any other person mentioned in the lease, or is renewable from time to time at the will of the lessee, indefinitely or for a period of periods which, together with the first period of lease, amounts to thirty six (36) years, the lessee or any other person to whom he has ceded his right, title and interest under the lease, or any gratuitous successor or the lessee; (e) in relation to – (i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 1986 the developer or the body corporate in respect of the common property; or (ii) a section as defined in the Sectional Titles Act 1986 the person in whose name such section is registered under a sectional title and includes the lawfully appointed agent of such a person; or (iii) a person occupying land under a register held by a tribal authority or in accordance with a sworn affidavit made by a tribal authority. (f) a lessee in the case of a property that is registered in the name of the municipality and is leased by it; (g) a buyer, in the case of a property that was sold by the municipality and of which possession was given to the buyer pending the registration of ownership in the name of the

“person” means natural and juristic persons, including any department of state, statutory bodies or foreign embassies.

“premises” means any piece of land, the external surface boundaries of which are delineated on - (a) a general plan or diagram registered in terms of the Land Survey Act, Act 9 of 1927 or in terms of the Deed Registry Act, 47 of 1937; or (b) a sectional plan registered in terms of the Sectional Titles Act, Act 95 of 1986; or (c) a register held by a tribal authority or in accordance with a sworn affidavit made by a tribal

“prescribed” means adopted by council.

“Prescribed form” means any form required by the chief financial officer from time to time.

“property” means – (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person. (b) a right registered against immovable property in favour of a person, excluding a mortgage bond registered against the property; (c) a land tenure right registered in favour of a person in terms of any law; or (d) public service infrastructure.

“rates” means property tax levied on the valuation of a property. The rate is expressed as cents in the rand.

“Registered owner” means that person, natural or juristic, in whose name the property is registered in terms of the Deeds Registry Act, Act 47 of

“Responsible person” means any person other than the registered owner of an immovable property who is legally responsible for the payment of municipal service charges.

“Revenue clearance certificate” means a certificate of the kind referred to in section 118(1) of the act. MLM Final Budget 2025/2026 – May 2025

“Service charges” means the fees levied by the municipality in terms of its tariff policy for any municipal services rendered in respect of an immovable property and includes any penalties, interest or surcharges levied or imposed in terms of this by-law.

“Service delivery agreement” means an agreement between the municipality and an institution or persons mentioned in section 76(b) of the Local Government Municipal Systems Act, Act 32 of 2000.

“Sundry debtor accounts” means accounts raised for miscellaneous charges for services provided by the municipality or charges that were raised against a person as a result of an action by a person and which were raised in terms of council’s policies, by-laws and decisions.

“tariff” means any rate, tax, duty and levy or fee which may be imposed by the municipality for services provided either by itself or in terms of a service delivery agreement.

“Tariff fines debtor” means debtors resulting from amount owed to the municipality by members of the public for fines issued as a result of the contravention of traffic laws.

“Tariff policy” means a tariff policy adopted by the council in terms of section 74 of the Local Government Municipal Systems Act, Act 32 of 2000. “user” means the owner or occupier of a property in respect of which municipal services are being rendered.

PART 1 OBJECTIVE: CONSTITUTIONAL OBLIGATIONS

1. The council of the municipality, in adopting this policy on credit control and debt collection, recognises its constitutional obligations to develop the local economy and to provide acceptable services to its residents. This is required in terms of MFMA section 64 (2)(a) and MSA 75A(b). It simultaneously acknowledges that it cannot fulfil these constitutional obligations unless it exacts payment for the services which it provides and for the taxes which it legitimately levies – in full from those residents who can afford to pay, and in accordance with its indigence relief measures for those who have registered as indigents in terms of the council’s approved indigent management policy.

PART 2 EXPECTED FUTURE PAYMENT LEVELS

- 2.1. To promulgate credit control and debt collection by-laws which deal stringently with defaulters, but at the same time – through the formal political structures of the municipality, and in the administration's general dealings with the public
- 2.2. to make the community aware of its legal obligations towards the municipality
- 2.3. To emphasize the negative consequences for all of non-payment. The municipality's ward committees are particularly charged with this responsibility.

PART 3 NOTICE OF DEFAULT AND INTENDED TERMINATION OR RESTRICTION OF SERVICES

3.1. Within 7 (seven) calendar days after each monthly due date for payment of municipal accounts for property rates and/or service charges, the municipal manager shall dispatch to every defaulting accountholder, that is, every accountholder who as at the date of the notice has not paid the monthly account in full or has not made an acceptable arrangement with the municipal manager for partial or late payment, a notice stating that unless full payment is received or an acceptable arrangement made with the municipal manager for partial or late payment, the municipal water supply to the property to which the account in arrears relates shall be terminated or restricted 14 (fourteen) calendar days after the date of the notice concerned.

3.2. If no water is provided by the municipality or its agent to the accountholder concerned, the municipal manager shall, after the expiry of twenty eight (28) calendar days after the date of the notice concerned, and provided the arrear account has not been settled or satisfactory arrangements made in terms of part 9 below, immediately proceed with the actions contemplated in part 8 below.

New insertion Notwithstanding clause 3.1 and 3.2 of the policy: Changed the procedure

3.1. The Municipality will provide at least 14 (fourteen) calendar days' written pre-termination notice to the accountholder and will be reasonably ascertainable to the occupier(s) of the property, before disconnecting or restricting a basic municipal service.

3.2. The notice will state the amount outstanding, the basis of calculation, the due date for payment, dispute/representation channels, and the intended date and nature of the termination or restriction.

3.3. The Municipality will consider any representations received within the notice period and may conclude reasonable payment arrangements where appropriate.

3.4. Immediate disconnection without prior notice may occur only in the case of emergencies, meter tampering/illegal reconnections, or where other consumers would be prejudiced.

3.5. No person who proves to the Municipality's satisfaction that they are unable to pay for basic water services will be denied access to basic water for non-payment, and alternative credit control measures will be applied in accordance with the Indigent Policy.

3.6. If, after the expiry of the 14-day notice period, the accountholder has neither settled the arrears nor made an acceptable payment arrangement, the Municipality may proceed with service restriction or disconnection as outlined in this policy and may subsequently initiate the enforcement actions contemplated in Part 8.

PART 4 RECONNECTIONS OR RE-INSTATEMENT OF RESTRICTED SERVICES

4.1. Services to defaulting accountholders terminated or restricted in terms of part 3 above shall be reconnected or reinstated by the municipal manager only when all the following conditions have been met:

a) Settlement of Arrears or Approved Arrangement

- i. The accountholder has either:
 - paid the full outstanding arrear amount, including any interest and applicable charges; or

- entered into a reasonable and acceptable payment arrangement with the Municipality in accordance with Part 9 of this policy.

b) Payment of Applicable Fees

All applicable **reconnection or reinstatement fees**, notice fees, penalties, and any other charges determined in terms of the approved tariff schedule have been paid in full.

c) Conclusion of a Service Contract

Where required, the accountholder has entered a valid service contract with the Municipality in terms of Part 10 of this policy, confirming acceptance of the Municipality's credit control and debt collection conditions.

New insertion Notwithstanding clause on policy: Changed the procedure

4.2. Reconnection or reinstatement will be carried out as soon as reasonably possible after the required conditions are met, in accordance with the timelines set out in Part 5 of this policy.

4.3. Where illegal connections, tampering, or other contraventions were involved, the Municipality may require the accountholder to undertake corrective measures or inspections prior to reconnection, in addition to the payment of penalties.

4.4. The Municipality reserves the right to retain service restrictions instead of full reconnection if:

- a) the accountholder fails to comply with the terms of an existing payment arrangement.
- b) the Municipality identifies ongoing risks to infrastructure or community safety; or
- c) the account has been handed over to debt collection agents, and the required compliance conditions have not been met.

4.1.1. a service contract has been entered into with the municipality, as contemplated in part 10 below

PART 5 PERIODS FOR RECONNECTIONS OR REINSTATEMENTS

5.1. The municipal manager shall reconnect or reinstate terminated or restricted services within 24 hours after the date on which the conditions set out in part 4 have been met, unless the municipal manager is unable to do so because of circumstances beyond the control of the municipality. In the latter event the municipal manager shall promptly inform the mayor and the client of such circumstances and of any actions required to overcome the circumstances con

New insertion Notwithstanding clause on policy: Changed the procedure

5.1. The Municipality will reconnect or reinstate any service that has been terminated or restricted in terms of this policy within 24 (twenty-four) hours after the accountholder has complied with all the conditions set out in Part 4, unless circumstances beyond the Municipality's control prevent such reconnection or reinstatement.

5.2. Where circumstances beyond the Municipality's control cause delays, the Municipality will:

- a) promptly inform the accountholder of the reason for the delay;
- b) advise on any actions required to overcome such circumstances; and
- c) notify the Mayor of the delay and the reasons, in accordance with internal reporting requirements.

5.3. Reconnection or reinstatement timeframes apply only during normal business hours. Where an accountholder completes the required conditions after business hours, reconnection will occur on the next business day, unless the Municipality has adopted an extended-hours reconnection service.

5.4. In cases involving illegal connections, meter tampering, unsafe infrastructure conditions, or any matter requiring technical inspection, reconnection may only occur once:

- a) the installation has been certified as safe by authorised municipal personnel; and
- b) any required technical or corrective work has been completed at the cost of the accountholder, where applicable.

5.5. The Municipality may prioritise reconnections based on operational logistics, safety considerations, and resource availability, but must ensure that all reconnections occur as soon as reasonably possible.

PART 6 ILLEGAL RECONNECTIONS

6.1. The municipal manager shall, as soon as it comes to the notice of the municipal manager that any terminated or restricted service has been irregularly reconnected or reinstated, report such action to the South African Police Service, disconnect or restrict such service(s), and not reconnect or reinstate such service(s) until the arrear account, including the interest raised on such account, the charges for the notice sent in terms of part 3 and the charges for both the original and subsequent reconnection or reinstatement of the service(s) together with such penalty as may be determined by the council from time to time. In addition, all metered consumption since the date of the illegal reconnection, or the estimated consumption if a reliable meter reading is not possible, shall also be paid in full before any reconnection or reinstatement is considered.

New insertion Notwithstanding clause on policy: Changed the procedure

6.1. If the Municipality becomes aware that any service previously disconnected or restricted has been illegally reconnected, tampered with, or restored without authorisation, the Municipality must immediately:

- a) disconnect or restrict such service(s) again;
- b) secure and safeguard municipal infrastructure from further interference; and
- c) report the incident to the South African Police Service (SAPS) as an act of tampering, theft, or unauthorised use of municipal services.

6.2. The Municipality will not reconnect or reinstate any illegally reconnected service until the account holder has paid, in full:

- a) all arrears, including interest.
- b) all charges for the original disconnection and the subsequent reconnection or reinstatement.
- c) any penalty fees determined annually by Council for illegal reconnections or tampering; and
- d) the cost of any damages, repairs, or technical work required to restore municipal infrastructure to a safe and acceptable standard.

6.3. In addition to the amounts listed in 6.2, the account holder must also pay for:

- a) all metered consumption recorded since the date of the illegal reconnection; or
- b) where an accurate reading is not possible, the Municipality may levy estimated consumption based on historical usage or any other reasonable method approved by the Chief Financial Officer.

6.4. Where tampering, bypassing of meters, or illegal reconnection is detected, the Municipality may require:

- a) a technical inspection, at the cost of the account holder.
- b) installation of tamper-proof or prepaid metering infrastructure, where applicable; and

c) the signing of a service contract or updated service agreement in terms of Part 10.

6.5. Any person who unlawfully reconnects a service, or permits such reconnection, may face criminal prosecution in terms of applicable national legislation, including the Municipal Systems Act and Water Services Act, in addition to municipal penalties.

PART 7 RESTRICTIONS OF SERVICES

7.1. If the municipal manager is of the opinion that the termination of services, in the case of a particular property in respect of which the account is in arrear, is not in the best interests of the community – specifically because of the potential endangerment of the life of any person, whether resident in or outside the property concerned.

7.2. the municipal manager may appropriately restrict rather than terminate the services in question.

PART 8 SERVICES NOT RECONNECTED OR RE-INSTATED AFTER TWO WEEKS

8.1. If services have been terminated or restricted in the case of a property in respect of which the account is in arrear, and the accountholder has not paid such arrears, including the interest raised on such account, or made an acceptable arrangement with the municipal manager for the payment of the arrear account, including the interest raised on such account, within a period of twenty eight (28) calendar days after the date of termination or restriction of the service(s) concerned, the municipal manager shall forthwith hand such account over for collection and such further action as is deemed necessary to the municipality's attorneys or any debt collecting agency appointed by the council.

New insertion Notwithstanding clause on policy: Changed the procedure

8.2. The handover in terms of clause 8.1 shall include all arrears, interest, penalties, costs associated with disconnection or restriction, and any additional charges applicable under this policy.

8.3. Upon handover, the accountholder becomes liable for all legal and collection costs incurred by the Municipality, as prescribed by law and in accordance with the tariff schedule.

8.4. The Municipality may further initiate any lawful enforcement measures available to it, including but not limited to:

- a) listing the debtor with a credit bureau;
- b) issuing summons for the recovery of arrears;
- c) obtaining judgment and proceeding with further execution steps;
- d) recovery of debts from tenants or agents in accordance with the Municipal Property Rates Act; and
- e) any other lawful recovery mechanism provided for in national legislation.

8.5. Once an account has been handed over for collection in terms of this Part, no further payment arrangements may be entered into with the accountholder by the Municipality, and all negotiations must occur directly with the appointed debt collection agent or attorney, unless otherwise authorised by the Chief Financial Officer.

8.6. The Municipality reserves the right to maintain service restrictions on the property until the debt is fully settled and all handover conditions have been complied with.

PART 9 ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS

9.1 Arrangements for Payment of Normal Consumer Accounts

9.1.1. Allowing defaulting accountholders to make arrangements for the payment of arrear accounts shall be at the discretion of the municipal manager or delegated municipal official. A deposit of 25% and more on the outstanding balance shall be paid prior to the arrangement.

9.1.2. Each defaulting accountholder shall be allowed to make a payment to pay an arrear account, together with the interest raised on such account, and it shall be a condition for the conclusion of any arrangement that the accountholder is bound to pay every month.

9.1.3. If an accountholder breaches any material term of an arrangement, the balance of the arrear account, if the accountholder defaults on such payment, the municipal manager shall terminate or restrict water services to the property in question (if such services are

provided by the municipality or its agent) and shall forthwith hand such account over for collection as envisaged in part 8.

9.1.4. An accountholder who has breached an arrangement as set out above shall not be allowed to make any further arrangements for the payment of arrear accounts, but shall be proceeded against, after the dispatch of the initial notice of default as envisaged in part 3 and failure by the accountholder to pay the arrear account, together with interest raised on such arrears as required in terms of such notice, as though such accountholder had breached a material term of an arrangement.

9.2 Arrangement with Municipality Officials for the payment of their accounts

9.2.1. All accounts for the municipality officials and employees may not be in arrears for longer than 3 months (Municipal Systems Act Schedule 2(10) and Schedule 1(12A)). Where a municipality staff member is in arrears for a period longer than three months, an arrangement will be made to deduct the outstanding amount from the salary of the staff member in total or in regular monthly amounts that may be agreed on. Special incentives to encourage the municipality staff to enter into such arrangements for payment of outstanding amounts will be offered on discretion of the CFO.

9.2.2. All councillors or ward committees shall not leave their accounts to be in arrears for longer than 3 (three) months. Arrangement should be made with the municipality to pay accounts that are in arrears.

PART 10 SERVICE CONTRACT

10.1. A service contract shall henceforth be entered into with the municipality for each property to which the municipality is expected to provide all or any of the following services:

- i. water
- ii. refuse collection.
- iii. sewerage.

10.2. Such contract shall set out the conditions on which services are provided and shall require the signatory to note the contents of the municipality's credit control and debt collection policy, a copy of which shall be provided to such signatory, as well as the provision of the Municipal Systems Act in regard to the municipality's right of access to property.

10.3. Where the signatory is not the owner of the property to which the services are to be provided on request, a properly executed letter from such owner indicating that the signatory is the lawful occupant of the property shall be attached to the service contract.

10.4. Current consumers and users of the municipality's services who have not entered into a service contract as envisaged above, must do so within 2 years from the date on which the by-laws to implement the present policy are published, and failure to do so shall be considered as a default equivalent to non-payment in terms of part 3 above.

PART 11 PAYMENTS OF DEPOSITS

11.1. Council shall not charge a service connection deposit under the tribal land households. Council will review the determination of connections deposit annually.

11.2. The council shall charge yard connections as per the approve tariff schedule annually. (New)

New insertion Notwithstanding clause on policy: Changed the procedure

11.1. The Municipality will not charge a service connection deposit for residential households located on tribal land. This provision recognises traditional land tenure arrangements and aims to promote equitable access to basic municipal services.

11.2. The Council will review the determination of service connection deposits annually as part of the budget and tariff approval process, to ensure alignment with cost-reflective principles, affordability levels, and applicable financial legislation.

11.3. The Municipality will charge yard connection fees and any other applicable service activation charges in accordance with the approved annual tariff schedule.

11.4. Where required, the Municipality may request a refundable consumer deposit for properties not situated on tribal land, to mitigate credit risk, ensure responsible account management, and safeguard municipal revenue. The amount and conditions related to such deposits will be determined annually by Council.

11.5. Deposits paid by consumers will be recorded, receipted, and managed in accordance with the Municipal Finance Management Act (MFMA) and applicable accounting standards. Deposits may be:

- a) reviewed periodically based on consumption patterns or risk assessments; and

b) used to offset outstanding amounts upon termination of services, subject to final account reconciliation.

PART 12 ALLOCATIONS OF PART-PAYMENTS

12.1. If an accountholder pays only part of any municipal account due, the municipal manager shall allocate such payment with the following steps:

12.1.1. to any unpaid charges levied by the municipality in respect of unacceptable cheques, notices, legal expenses and reconnections or reinstatements of services in respect of the account or property concerned;

12.1.2. to any unpaid interest raised on the account;

12.1.3. to any unpaid sewerage charges;

12.1.4. to any unpaid refuse collection charges;

12.1.5. to any unpaid property rates; and

12.1.6. to any unpaid water charges.

12.2. This sequence of allocation shall be followed notwithstanding any instructions to the contrary given by the accountholder.

PART 13 QUERIES

13.1. In the event of an accountholder reasonably querying any item or items on the monthly municipal account, no action shall be taken against the accountholder as contemplated in part 3 provided the accountholder has paid by due date an amount equal to the monthly average monetary value of the three most recent unqueried accounts in respect of the service under query, as well as all unqueried balances on such account, and provided further such query is made in writing by the accountholder or is recorded in writing by the municipal manager on behalf of the accountholder on or before the due date for the payment of the relevant account. Any query raised by an accountholder in the circumstances contemplated in part 14 below shall not constitute a reasonable query for the purposes of the present paragraph.

Insertion of new clauses

13A: QUERIES BY ACCOUNTHOLDERS

13.1. Right to Query an Account

- An accountholder may lodge a query or dispute relating to any item on a municipal account. The Municipality will record the query in writing and issue the accountholder with a reference number or written acknowledgement of receipt.

13.2. Protection from Credit Control During a Valid Query

- a) Where an accountholder has lodged a reasonable query on or before the due date, no credit control action may be taken on the disputed amount, provided that the accountholder pays:
 - i. an amount equal to the average monthly consumption for the preceding three (3) unqueried billing cycles for the service under query; and
- b) all undisputed charges on the account.

13.3. Investigation and Feedback Timelines

The Municipality must investigate the query and provide written feedback to the accountholder within 21 (twenty-one) calendar days, or within a longer period if justified by technical or field investigation requirements. Where delays occur, the accountholder must be informed in writing.

13.4. Resolution of Queries

Once the Municipality provides a final determination:

- a) if the account is found to be correct, the accountholder must settle all outstanding amounts within 14 days: or

b) if the account is found to be incorrect, the Municipality will:

- i. correct the account. Reverse any wrongful charges or interest; and
adjust any credit control actions taken in error.

13.5. Queries Not Considered Reasonable

A query will not be regarded as reasonable where:

- a) it is not supported by facts, evidence, or explanation.
- b) it relates solely to inability to pay; or
- c) it is raised after disconnection solely to delay enforcement, without any basis in billing or consumption accuracy.

13B: QUERIES RELATING TO “NO SERVICE PROVIDED”

13A.1. Right to Lodge a Query for No-Service Situations

If an accountholder asserts that the Municipality did not provide a service for which charges have been billed (such as no water supply, no refuse removal, or no sewer service), the Municipality must investigate the matter as a priority service-related query.

13a.2. temporary suspension of billing on the disputed service

While the query is under investigation, the Municipality must:

- a) temporarily suspend billing adjustments relating to the disputed service, and
- b) refrain from applying credit control measures solely related to that service until the matter is resolved.

13a.3. municipal investigation obligations

The Municipality must verify the claim by:

- a) checking operational records, service logs, or outage reports;
- b) conducting physical or technical inspections where necessary; and
- c) engaging the relevant service department to confirm service-delivery status.

13a.4. billing adjustments where no service was provided

If the Municipality confirms that the service was not provided, it must:

- a) reverse or reduce charges for the affected period;

- b) waive interest that accrued on those incorrect charges; and
- c) issue a corrected account to the accountholder.

13a.5. where service was provided but not perceived

If service was delivered but the accountholder did not perceive it (e.g., refuse collected at an unobserved time),

- i. the Municipality must provide documented evidence and guidance.
- ii. Once resolved, normal billing and credit control apply.

13A.6. Fraudulent or Abusive Claims

Where a claim of “no service provided” is proven to be fraudulent or intentionally misleading, the Municipality may:

- a) reinstate full billing,
- b) apply applicable penalties, and
- c) proceed with credit control measures.

PART 14 INABILITY TO READ METERS

14.1. Metered household

14.1.1. If the municipality is unable to read any meter on any property because the meter has been rendered inaccessible the municipal manager shall estimate the consumption of the service based on the historic consumption.

14.2. Unmetered -Flat-rate

14.2.1 The municipal council will apply flat- rate tariff for water where metering infrastructure is unavailable, unreliable, or not sufficiently budgeted for to instal meters.

14.2.2 The flat-rate tariff will be determined annually as part of the budget and tariff approval process based on ;

- i. Average historical consumption
- ii. Affordability level in the community

iii. Cost of service provisions

iv. Alignment with the principal of equity and indigent support.

14.2.3. Consumer on flat rate will be periodically assessed for possible migration to metered billing where infrastructure allows.

Revised Clause

14.1. Metered Households

14.1.1. Where the Municipality is unable to read a meter because it is inaccessible, obstructed, damaged, or unsafe to access, the Municipality will issue an estimated consumption based on:

- a) the average historical consumption for the previous three (3) comparable billing cycles; or
- b) any other reasonable method approved by the Chief Financial Officer where historical data is unreliable or unavailable.

14.1.2. The Municipality must take reasonable steps to obtain an actual reading, including:

- a) attempting alternative access times,
- b) issuing written notices requesting access, and
- c) requesting the consumer to submit a verified self-reading (where permitted).

14.1.3. Once an actual reading is obtained, the Municipality must:

- a) adjust the account,
- b) correct any over- or under-billing, and
- c) reverse interest incorrectly billed due solely to the inability to read the meter.

14.1.4. Consumers must ensure that meters remain accessible, safe, and unobstructed at all reasonable times as required by Section 101 of the Municipal Systems Act.

14.2. Unmetered Properties – Flat-Rate Billing

14.2.1. Where water services are supplied to a property without a functional meter, or where metering infrastructure is unavailable, unreliable, damaged, or unaffordable to install, the Municipality will apply a flat-rate tariff in accordance with the approved annual tariff schedule.

14.2.2. The flat-rate tariff will be determined annually as part of the budget process, considering:

- a) average historical consumption for similar service levels;
- b) affordability levels within the affected community;
- c) the cost of providing the service; and
- d) the principles of equity, fairness, and the Municipality's Indigent Policy.

14.2.3. Consumers billed on a flat-rate basis will be periodically assessed to determine eligibility for migration to metered billing, subject to the availability of infrastructure and budget.

14.2.4. Where a meter becomes functional or is installed:

- a) flat-rate billing must cease immediately.
- b) metered billing must commence with the next billing cycle; and
- c) the Municipality may reconcile charges where required.

PART 16 DELEGATION OF RESPONSIBILITIES BY MUNICIPAL MANAGER

16.1. The municipal manager, including any person acting in such capacity, shall be responsible to the council for the implementation of this policy and its attendant by-laws but – without in so doing being divested of such responsibility – may delegate in writing all or any of the duties and responsibilities referred to in these by-laws to any other official or officials of the municipality, and may from time to time in writing amend or withdraw such delegation(s).

PART 17 ROLE OF MUNICIPAL MANAGER

17.1. Section 100 of the Municipal Systems Act 2000 (see part 24 below) clearly assigns the legal responsibility for implementing the credit control and debt collection policies and by-laws to the municipal manager.

17.2. The municipal manager will therefore have to ensure that a proper internal reporting structure is established and consistently implemented so that the day-to-day actions of and results from the credit control and debt collection programme are properly monitored and supervised.

17.3. The municipal manager shall report monthly to the mayor and the executive committee, and quarterly to the council on the actions taken in terms of the by-laws, and on the payment levels for the periods concerned. Such reports shall, as soon as practicably possible, provide the required information both in aggregate and by municipal ward.

17.4. In addition, such monthly and quarterly reports shall indicate any administrative shortcomings, the measures taken or recommended to address such shortcomings, and any actions by councillors which could reasonably be interpreted as constituting interference in the application of the by-laws.

17.5. Notwithstanding all the foregoing references to the accountability of the municipal manager in regard to these by-laws, it is incumbent on all the officials of the municipality, certainly all those who are at management level, as well as more junior officials who are directly or indirectly involved with the community and the municipality's general customer relations, to promote and support both this credit control and debt collection policy and the application of the attendant by-laws. The responsibilities of all officials include reporting to the municipal manager any evident breaches of these by-laws, whether by members of the community, other officials or councillors of the municipality.

PART 18 ROLE OF COUNCILLORS

18.1. Section 99 of the Systems Act 2000 places the important legal responsibility on the mayor and executive committee, of monitoring and supervising the application of the present policy and the attendant by-laws, and of reporting to the council on the extent and success of credit control actions.

18.2. The municipality's ward committees must also be actively involved in implementing the credit control and debt collection programme and must therefore receive monthly reports on the status of the municipal manager's credit control actions. The ward committees must also actively promote the present policy and ensure at the same time that the municipality's customer relations are of a standard acceptable to the community.

18.3. In order to maintain the credibility of the municipality in the implementation of the present policy and the attendant by-laws, it is essential that councillors lead by example. Councillors, by adopting this policy, therefore pledge, not only their unqualified support for the policy, but their commitment to ensuring that their own accounts will at no stage fall into arrears (MSA schedule 1(12A)).

PART 19 INTEREST ON ARREARS AND OTHER PENALTY CHARGES

19.1. The due date for all municipal accounts is the 7th day of every month.

19.2. Interest shall be charged on all arrear accounts at a rate 3% per annum , not compounded.

19.3. In considering each annual budget the council shall review the adequacy of its interest charges, and shall determine the following for the financial year concerned:

19.3.1. charges for disconnection or restriction of services (part 3)

19.3.2. charges for reconnection or reinstatement of services (part 4)

19.3.3. charges for notices of default (part 3)

19.3.4. penalty charges for illegal reconnections (part 6)

19.3.5. penalty charges for dishonoured cheques (part 15).

Revised Clause

19.2. **Interest on Arrears:** Interest will be charged on all arrear accounts at a rate determined annually by Council, in accordance with applicable legislation and budget-related policies.

Interest will be:

- a) calculated daily,
- b) charged monthly, and
- c) applied on the outstanding balance, excluding amounts subject to a valid dispute under Part 13.

19.3. **Annual Review of Charges:** As part of each annual budget process, Council must review and determine the charges and penalties applicable for the following financial year, including:

- 19.3.1. charges for the disconnection or restriction of services (Part 3);
- 19.3.2. charges for the reconnection or reinstatement of services (Part 4);
- 19.3.3. charges for the issuance of notices of default (Part 3);
- 19.3.4. penalty charges for illegal connections or tampering (Part 6); and
- 19.3.5. penalty charges for dishonoured payments, including returned debit orders and dishonoured cheques.

19.4. **Exemptions and Indigent Households:** Interest may be waived or suspended for registered indigent households only where authorised by the Municipality's Indigent Policy and subject to compliance with all conditions specified in that policy.

19.5. **Incorrect Billing:** Where an account is adjusted following:

- a) an approved dispute (Part 13),
- b) billing correction, or
- c) municipal error, any interest incorrectly levied will be reversed in full.

19.6. **Transparency in Penalty Charges:** All charges contemplated under this Part must be:

- a) published in the approved tariff schedule,
- b) publicly accessible, and
- c) communicated to accountholders through municipal accounts or official notices.

PART 20 INDIGENCY MANAGEMENT

(Read together with indigent management policy)

~~20.1. In regard to the payments expected from registered indigents, and the credit control and debt collection actions contemplated in respect of such residents, this policy must be read in conjunction with the municipality's approved policy on indigence management. Where indigent household is on flat-rate w, the free basic service will continue.~~

Revised Clause

20.1. This Credit Control and Debt Collection Policy must be read together with the Municipality's approved Indigent Management Policy, which governs the registration, qualification criteria, benefits, and obligations of indigent households.

20.2. A registered indigent household is entitled to free basic services as determined by Council annually, including but not limited to:

- a) a basic allocation of potable water;
- b) basic sanitation services; and
- c) basic refuse removal services

20.3. Where an indigent household receives water on a flat-rate system, the household shall continue to receive the applicable free basic service allocation, provided it remains compliant with the conditions of the Indigent Management Policy.

20.4. Registered indigent households remain responsible for any consumption or service charges exceeding the approved free basic allocation. Such excess charges will be subject to normal billing and debt management processes.

20.5. Interest and penalties on arrears may be waived, suspended, or not applied to registered indigent households, where authorised by the Indigent Management Policy and approved by Council.

20.6. If a household's indigent status expires or is revoked, the accountholder shall become liable for all charges, including arrears accumulated outside the indigent benefit period, subject to any transitional arrangements set out in the Indigent Management Policy.

20.7. The Municipality shall conduct annual reviews of all indigent accounts to confirm continued eligibility, prevent abuse of the system, and ensure accurate application of free basic services.

20.8. Fraudulent misrepresentation to obtain indigent benefits constitutes a breach of municipal by-laws and may result in:

- a) deregistration from the indigent database,
- b) recovery of wrongly allocated benefits,
- c) application of penalties, and
- d) possible criminal proceedings in terms of applicable legislation.

20.9. WRITE-OFF OF INDIGENT DEBT

20.9.1. The Municipality may write off arrear debt owed by registered indigent households in accordance with the Municipality's Indigent Management Policy, the Debt Write-Off Policy, the Municipal Finance Management Act (MFMA), and applicable GRAP standards.

20.9.2. Only debt incurred during an approved period of indigent qualification may be considered for write-off. Debt incurred before registration or after termination of indigent status shall not be written off unless authorised through Council's Debt Write-Off Policy.

20.9.3. Indigent debt may be recommended for write-off only when all the following conditions are met:

- a) The household is formally registered and approved as indigent;
- b) The accountholder has complied with all obligations of the Indigent Policy;
- c) The debt has been classified as doubtful in terms of the Municipality's impairment methodology.
- d) The Municipality has taken all reasonable credit-control steps applicable to indigent households; and
- e) The write-off will not compromise the Municipality's financial sustainability.

20.9.4. The following categories of indigent debt may be eligible for write-off:

- a) Arrears accumulated before registration as an indigent, where the household meets Council's approved conditions for historic debt relief;

- b) Charges incorrectly billed or adjusted due to municipal error;
- c) Unrecoverable interest or penalties levied on indigent households;
- d) Debt arising from inherited or historic balances on properties now occupied by indigent households.

20.9.5. Write-off of indigent debt does not extinguish the Municipality's right to:

- a) Recover debt incurred outside approved indigent periods;
- b) Review and revoke indigent status in cases of non-compliance;
- c) Recover benefits issued through fraud, misrepresentation, or abuse of the indigent system.

20.9.6. The Municipal Manager or Chief Financial Officer must submit to Council:

- a) A schedule of indigent accounts recommended for write-off;
- b) The value of the debt to be written off;
- c) The reasons, supporting documentation, and verification outcomes;
- d) Confirmation that GRAP, MFMA and policy requirements have been met.

20.9.7. Council approval is required before any indigent debt is formally written off, unless delegated authority exists in terms of the Municipality's Delegation Framework.

20.9.8. Once approved by Council, the write-off will be:

- a) Recorded in the Municipality's financial system;
- b) Reflected in the annual financial statements;
- c) Reported to Council as part of in-year budget reporting;

20.9.9. The Municipality may implement an Indigent Debt Relief Programme, subject to Council approval, to facilitate the structured write-off of qualifying historic debt for indigent households.

PART 21 IRRECOVERABLE ARREARS

21.1. The effective implementation of the present policy also implies a realistic review of the municipality's debtor's book at the conclusion of each financial year.

- a) The municipal manager shall as soon as possible after 30 June each year present to the council a report indicating the following For noting – details of the debts that was written off during the year ending 30 June under delegated authority, together with the reasons for the write offs, and
- b) For consideration – details of any debt, not included under (a) above, which is believed to be irrecoverable, together with the reasons for this conclusion. The council shall then approve the write-off of such arrears, if it is satisfied with the reasons provided.
- c) The council shall then evaluate possible means of recovering all unpaid monies, thereafter they will approve the write off such arrears, if it is satisfied with the explanations provided.

PART 22 ARREARS WHICH HAVE ARISEN PRIOR TO THE ADOPTION OF THE PRESENT POLICY

22.1. The council shall separately consider arrears which arose prior to the adoption of the present policy and shall advise accountholders of their respective obligations in regard to such arrears. In determining such obligations, the council shall have regard to the quantum of such arrears, to the period over which the default occurred, and to whether the accountholder concerned has registered as an indigent in terms of the municipality's policy on indigency management.

22.2. The council shall further consider an incentive scheme which will appropriately encourage accountholders to settle all or a stated percentage of these arrears.

PART 23 BY-LAWS TO BE ADOPTED AND REVISION OF POLICY

23.1. By-laws shall be adopted to give effect to the council's credit control and debt collection policy.

23.2. The by-laws shall comply with the requirements of the Municipal Systems Act 2000, the Water Services Act 1997 and the Municipal Finance Management Act 2003.

23.3. The credit control and debt collection policy shall be reviewed by the council as part of the process of preparing each annual budget, and any amendments approved of in regard to such policy shall be consequentially affected in respect of the by-laws.

PART 24 EXPECTED FUTURE PAYMENT LEVELS

24.1. In terms of the budgets approved by the council, and in accordance with commonly accepted best practice, this municipality aims to strive to its utmost ability to ensure that payment levels for the present and future financial years, in respect of all amounts legitimately owing to the municipality – that is, inclusive of the balance of the monthly accounts payable by registered indigents – are maintained at an annual average of at least 95%.

24.2. It is generally accepted by this council that payment levels averaging below 20% per month are untenable and are a certain forerunner of financial disaster for this municipality. Even with payment levels of 50% it means that the council will annually have to provide on its expenses budget a contribution to bad debts of above 50% of the aggregate revenues legitimately owing to this municipality – a contribution that is made at the direct cost of improved service delivery and developmental projects.

~~24.4. The only solution to the ongoing problem of non-payment by residents who can afford their monthly commitments to the municipality is to introduce a two fold approach: to promulgate credit control and debt collection by laws which deal stringently with defaulters, but at the same time – through the formal political structures of the municipality, and in the administration's general dealings with the public – to make the community aware of its legal obligations towards the municipality, and to emphasise the negative consequences for all if non-payment continues. The municipality's ward committees are particularly charged with this responsibility.~~

PART: 25 DOUBTFUL DEBT PROVISIONING (new)

25.1. The doubtful debts is in accordance with the Municipal Finance Management Act (MFMA), Generally Recognised Accounting Practice (GRAP), and the Council-approved Accounting Policy.

25.2. An account shall be classified as doubtful when objective evidence indicates that the Municipality may not recover the full amount due, despite reasonable credit control efforts. Indicators include, but are not limited to:

- a) arrears older than 90 (ninety) days with no payment activity.
- b) households or customers registered as indigent in terms of the Indigent Policy;
- c) accounts where the accountholder has absconded, is untraceable, or has no attachable assets;
- d) accounts where debt collection actions have been exhausted with no realistic prospects of recovery;
- e) historic debts arising from inherited balances, uncollectable interest, or disputes that cannot be resolved; and
- f) accounts identified through the annual impairment assessment required by GRAP.

25.3. Doubtful debt provisions will be calculated based on:

- a) the age analysis of municipal debtors.
- b) historical recovery trends.
- c) customer categories (e.g., residential, business, government, indigent).
- d) legal and socio-economic conditions; and
- e) any other factors determined by the Chief Financial Officer in the impairment methodology.

25.4. The Chief Financial Officer must perform at least quarterly assessments of the doubtful debt provision to ensure it reflects:

- a) the current recoverability of outstanding accounts; and
- b) compliance with applicable GRAP standards and Treasury guidelines.

25.5. The doubtful debt provision will be:

- a) included in the Municipality's annual financial statements.
- b) reported to Council through the budget and in-year reporting processes; and
- c) reviewed during the mid-year budget and performance assessment.

25.6. Classification of debt as doubtful does not extinguish the legal obligation of the accountholder to pay. The Municipality must continue to pursue recovery actions in terms of this policy unless Council has formally approved the write-off of such debt.

25.7. Debt classified as doubtful may only be written off in terms of the Debt Write-Off Policy and upon approval by Council or its delegated authority.

PART 26 ANNEXURE: LEGAL REQUIREMENTS

26.1. It is essential for the protection of the municipality's interests that the provisions of particularly the Municipal Systems Act 2000 and the Property Rates Act 2004, in so far as they provide additional debt collection mechanisms for municipalities, be diligently enforced. At the same time, both the council and the administration must note the obligations which the municipality has towards the community in respect of customer care and relations.

26.2. For ease of reference a paraphrase of the relevant extracts from the Municipal Systems Act, specifically Sections 95 to 103 and Section 118, are therefore appended to this policy, as are Sections 28 and 29 of the Property Rates Act. The immediately relevant extracts from the Water Services Act 1997 and the Municipal Finance Management Act are also included in the annexure.

PART 27 ANNEXURE PARAPHRASE OF LEGAL REQUIREMENTS

SECTION I: WATER SERVICES ACT NO. 108 OF 1997

SECTION 21: BY-LAWS

- a) The Act requires a municipality, in its capacity as water services authority, to make by-laws which contain conditions for the provision of water services and which provide for the following (inter-alia):
- i. the standard of the services;
 - ii. the technical conditions of supply, including quality standards, units or standards of measurement, the verification of meters, acceptable limits of error and procedures for the arbitration of disputes relating to the measurement of water services provided;
 - iii. the determination and structure of tariffs;
 - iv. the payment and collection of moneys due for the water services consumed;

- v. the circumstances under which water services may be limited or discontinued and the procedure for such limitation or discontinuation; and
- vi. the prevention of unlawful connexions to water services works and the unlawful or wasteful use of water.

SECTION II: LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT NO. 32 OF 2000

SECTION 95: CUSTOMER CARE AND MANAGEMENT

- a) A municipality must, in relation to the levying of rates and other taxes, and the charging of fees for municipal services, within its financial and administrative capacity, do the following:
- i. establish a sound customer management system which aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality itself or (where applicable) a service provider;
 - ii. establish mechanisms for users of services and ratepayers to give feedback to the municipality or other service provider with regard to the quality of the services and the performance of the service provider;
 - iii. take reasonable steps to ensure that users of services are informed of the costs involved in service provision, the reasons for the payment of service fees, and the manner in which moneys raised from the service are utilised;
 - iv. where the consumption of services is measured, take reasonable steps to ensure that the consumption by individual consumers of services is measured through accurate and verifiable metering services;
 - v. ensure that persons liable for payments receive regular and accurate accounts which indicate the basis for calculating the amounts due;
 - vi. provide accessible mechanisms for those persons to query or verify accounts and metered consumption, as well as appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;
 - vii. provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality;
 - viii. provide mechanisms to monitor the response time and efficiency in complying with the aforementioned requirements; and
 - ix. provide accessible pay points and other mechanisms for settling accounts or for making prepayments for services.

SECTION 96: DEBT COLLECTION RESPONSIBILITY OF MUNICIPALITIES

- a) A municipality must collect all moneys that are due and payable to it, subject to the requirements of the present Act and any other applicable legislation. For this purpose, the municipality must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariff policies and which complies with the provisions of the present Act.

SECTION 97: CONTENTS OF POLICY

- a) The municipality's credit control and debt collection policy must provide for all of the following:
- i. credit control procedures and mechanisms;
 - ii. debt collection procedures and mechanisms;
 - iii. provision for indigent debtors in a manner consistent with its rates and tariff policies and any national policy on indigents;
 - iv. realistic targets consistent with generally recognised accounting practices and collection ratios, and the estimates of income set in the budget less an acceptable provision for bad debts;
 - v. interest on arrears (where appropriate);
 - vi. extensions of time for payment of accounts;
 - vii. termination of services or the restriction of the provision of services when payments are in arrears;
 - viii. matters relating to unauthorised consumption of services, theft and damages; and
 - ix. any other matters that may be prescribed by regulation in terms of the present Act.
- b) The municipality, within its discretionary powers, may differentiate in its credit control and debt collection policy between different categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters, and, if so, must ensure that such differentiation does not amount to unfair discrimination.

SECTION 98: BY-LAWS TO GIVE EFFECT TO POLICY

- a) The council of the municipality must adopt by-laws to give effect to the municipality's credit control and debt collection policy, its implementation and enforcement.
- b) Such by-laws may differentiate between different categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters, and, if so, must ensure that such differentiation does not amount to unfair discrimination.

SECTION 99: SUPERVISORY AUTHORITY

- a) A municipality's executive mayor or executive committee, as the case may be, or – if the municipality does not have an executive committee or executive mayor – the council of the municipality itself, or a committee appointed by the council as the supervisory authority, must do all of the following:
 - i. oversee and monitor the implementation and enforcement of the municipality's credit control and debt collection policies and any by-laws enacted in terms of the foregoing requirements, and the performance of the municipal manager in implementing the policies and by-laws;
 - ii. where necessary, evaluate or review the policies and by-laws, and the implementation of such policies and by-laws, in order to improve the efficiency of its credit control and debt collection mechanisms, processes and procedures; and
 - iii. at such intervals as may be determined by the council, report to a meeting of the council, except when the council itself performs the duties of the supervisory authority.

SECTION 100: IMPLEMENTING AUTHORITY

- a) The municipal manager, or – where applicable – the service provider must:
 - i. implement and enforce the municipality’s credit control and debt collection policies and by-laws enacted in terms of the foregoing requirements;
 - ii. in accordance with the credit control and debt policies and any by-laws, establish effective administrative mechanisms, processes and procedures to collect moneys due and payable to the municipality; and
- b) at such intervals as may be determined by the council, report the prescribed particulars to a meeting of the supervisory authority referred to previously.

SECTION 101: MUNICIPALITY’S RIGHT OF ACCESS TO PREMISES

- a) The occupier of premises in a municipality must give an authorised representative of the municipality or of a service provider access at all reasonable times to the premises in order to read, inspect, install or repair any meter or service connexion for reticulation, or to disconnect, stop or restrict the provision of any service.

SECTION 102: ACCOUNTS

- a) Except where there is a dispute between the municipality and the person from whom the municipality has claimed any specific amount, a municipality may:
 - i. consolidate any separate account of such person;
 - ii. credit a payment by such person against any account of that person; and
 - iii. implement any of the debt collection and credit control measures provided for in the present Act in relation to any arrears on any of the accounts of such person.

SECTION 103: AGREEMENTS WITH EMPLOYEES

- a) A municipality may, within its discretionary powers, but with the consent of any person liable to the municipality for the payment of rates or other taxes or fees for municipal services, enter into an agreement with such person's employer to deduct from the salary or wages of such person any outstanding amounts due by such person to the municipality or such regular monthly amounts as may be agreed to.
- b) The municipality may further, within its discretionary powers, provide special incentives for employers to enter into such agreements and for employees to consent to such agreements.

SECTION 118: RESTRAINT ON TRANSFER OF PROPERTY

- a) The registrar of deeds or any other registration officer of immovable property may not register the transfer of any property other than on the production to such registration officer of a prescribed certificate issued by the municipality in which such property is situated, and which certificate certifies that all amounts due in connexion with such property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid.
- b) A municipality may recover, as far as is practicable, all amounts due to it for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties, in preference to any mortgage bonds registered against any property which is to be transferred.

CODE OF CONDUCT FOR MUNICIPAL STAFF MEMBERS

- a) Paragraph 10 of this Code of Conduct stipulates that if any staff member of a municipality is in arrears to the municipality for rates and service charges for a period longer than 3

months, the municipality may deduct any outstanding amounts from such staff member's salary after this period.

CODE OF CONDUCT FOR COUNCILLORS

- a) Section 6A of this code requires councillors to pay all rates, tariffs, rents and other moneys due to the municipality promptly and diligently.
- b) The municipal manager is further required to notify the speaker of the council and the MEC for Local Government, in writing, whenever a councillor has been in arrears with any of these payments for a period exceeding 30 days.

SECTION III: LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT NO. 56 OF 2003

SECTION 64: REVENUE MANAGEMENT

- a) The accounting officer of the municipality is responsible for the management of the municipality's revenues, and must, for this purpose, take all reasonable steps to ensure:
 - i. that the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act 2000 and the municipality's credit control and debt collection policies;
 - ii. that revenues due to the municipality are calculated on a monthly basis;
 - iii. that accounts for municipal taxes and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;
 - iv. that all moneys received are promptly deposited in accordance with the requirements of the present Act, into the municipality's primary and other bank accounts;
 - v. that the municipality has and maintains a management, accounting and information system which recognises revenues when they are due, accounts for debtors, and accounts for receipts of revenues;

- vi. that the municipality has and maintains a system of internal control in respect of debtors and revenues, as may be prescribed;
- vii. that the municipality charges interest on arrears, accept where the council has granted exemptions in accordance with its budget related policies and within a prescribed framework; and
- viii. that all revenues received by the municipality, including revenues received by any collecting agent on its behalf, are reconciled at least on a weekly basis.

The accounting officer must immediately inform the national treasury of any payments due by an organ of state to the municipality in respect of municipal taxes or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.

NOTE: SECTION 164: FORBIDDEN ACTIVITIES

- a) Section 164(1)(c) lists as a forbidden activity the making by a municipality of loans to councillors or officials of a municipality, directors or officials of any municipal entity, and members of the public. It has been assumed for purposes of compiling the credit control and debt collection policy that allowing any party to pay off arrears of rates and municipal service charges is not tantamount to the making of a loan in terms of Section 164.

SECTION IV: LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT NO. 6 OF 2004

SECTION 28: RECOVERY OF RATES IN ARREARS FROM TENANTS AND OCCUPIERS

- a) If the rates owed by a property owner are unpaid by due date, the municipality may recover such rates, either in whole or in part, from any tenant or occupier of the property concerned.
- b) However, the tenant or occupier of the property must first be given written notice of the municipality's intentions, and the amount which the municipality may recover is limited to the amount of rent and other moneys due and unpaid by the tenant or occupier to the property owner concerned.

SECTION 27: RECOVERY OF RATES FROM AGENTS

- a) If it is more convenient for the municipality to do so, it may recover the rates due on a property, either in whole or in part, from the agent of the property owner concerned.
- b) However, the agent must first be given written notice of the municipality's intention, and the amount the municipality may recover is limited to the amount of any rent and other moneys received by the agent on behalf of such property owner, less any commission due to the agent.

PART 28 POLICY IMPLEMENTATION:

The policy will be implemented retrospectively (with the exception of interest rates) aligned to the term of council.